

Request for City Council Action

Date: February 4, 2003

To: Council Member Sandra Colvin Roy, Transportation and Public Works
Council Member Barbara Johnson, Ways and Means/Budget Committee

Prepared by Chuck Lutz, Phone 612-673-5196

Approved by Lee Sheehy, MCDA Executive Director
Chuck Lutz, MCDA Deputy Executive Director _____

Subject: Heritage Park Infrastructure

Previous Directives:

On March 24, 2000, the City Council and MCDA Board approved the Master Plan for the Near Northside redevelopment (now Heritage Park). On August 25, 2000, the City Council approved a Stage 1 Infrastructure financing plan. On May 18, 2001, the City Council approved a finance strategy for North-South Boulevard Greenway (now Van White Memorial Boulevard) in Bassett Creek Valley. On July 26, 2002, the City Council authorized the City Engineer to proceed with Phase 2 public improvements. Also on July 26, 2002, the City Council authorized the City Finance Officer to provide interim financing until tax increment financing bonds are issued for Heritage Park. On December 16, 2002, the City Council approved the 2003 appropriation of the Five-Year Capital Program for Heritage Park.

Ward: 5th Ward

Neighborhood Group Notification: The neighborhoods immediately surrounding the site of the Near Northside redevelopment (Near North and Harrison) participated in the development of the Master Plan.

Consistency with *Building a City That Works*: Consistent with Goal 2, Objectives A-E, and Goal 6, Objectives B-E

Comprehensive Plan Compliance: Complies

Zoning Code Compliance: Complies

Impact on Budget: (Check those that apply)

- ☐ No financial impact
- ☐ Action requires an appropriation increase to the MCDA Budget
- ☒ Action provides increased revenue for appropriation increase
- ☐ Action requires use of contingency or reserves
- ☐ Other financial impact (Explain):

Living Wage / Business Subsidy: Project will comply if covered.

Job Linkage: Not applicable.

Affirmative Action Compliance: Complies

RECOMMENDATION:

The Executive Director recommends:

- 1) That the proper City staff be authorized to increase the appropriation for Heritage Park infrastructure work (4100 970 9719) by \$850,000 and increase the Heritage Park revenue (4100 970 9719 Source 3215) for Metropolitan Council Livable Communities Demonstration Account grant awarded November 13, 2002.
- 2) That the proper City staff be authorized to increase the appropriation for Heritage Park infrastructure work (4100 970 9719) by \$1,250,000 and increase the Heritage Park revenue (4100 970 9719 Source 3215) for Metropolitan Council 2002 TEA-21 Affordable Housing Enhancement Demonstration (AHED) grant approved by the Met Council Livable Communities Committee on December 16, 2002.
- 3) That the proper City staff be authorized to increase the appropriation for Heritage Park infrastructure work (4100 970 9719) by \$0.80 million and increase the Heritage Park revenue (4100 970 9719 Source 3225) for 2003 funding by the Mississippi Watershed Management Organization.
- 4) That the proper City staff be authorized to increase the appropriation for Heritage Park infrastructure work (4100 970 9719) by \$745 and increase the Heritage Park revenue (4100 970 9719 Source 3755) for payments by bidders for plan drawings.
- 5) That the proper City staff be authorized to enter into amendment to Agreement #14623 dated August 28, 1999 with SRF Consulting Group Inc., as follows: increase by \$1,377,000 for contamination monitoring/clean-up, construction surveying, and street/utility/open space design/engineering and construction documents for open space and infrastructure components, using appropriated funds detailed in report (below).
- 6) That the proper City staff be authorized to make payment to Center Point Energy/Minnegasco (formerly Reliant Energy) in the amount of \$124,951.62 for 16" gas pipe relocation in Near Northside Redevelopment project Phase 1 area, per Near Northside Redevelopment Stage 1 financing plan approved on August 25, 2000, from previously appropriated Section 108 loan/interim financing funds (to be reimbursed by 2003 tax increment bonds).

Background/Supporting Information

This report addresses and seeks authorization for the following Heritage Park realized or forthcoming sources and uses. The "items" listed below correspond directly with the recommendations and provide further explanation.

Item 1 In March, 2001, the Heritage Park project (then known as Near Northside Redevelopment) was awarded a \$1,500,000 Metropolitan Council Livable Communities Demonstration Account grant for Phase I north-south boulevard greenway improvements. In December, 2001, a second grant, also in the amount of \$1,500,000, was awarded for additional north-south boulevard greenway improvements and additional park and open space improvements and connections. On July 12, 2002, the City Council approved the submission of an additional grant request for the Heritage Park project, and on November 13, 2002 the

Metropolitan Council awarded a third grant, in the amount of \$850,000, for the third phase of Van White Memorial Boulevard and median features.

Item 2 On October 25, 2002 the City Council approved the submission of a grant application to the Metropolitan Council for federal Transportation Equity Act (TEA-21) Affordable Housing Enhancement Demonstration (AHED) funds, and on December 16, 2002 the Livable Communities Committee of the Metropolitan Council approved a grant, in the amount of \$1,250,000, for components of Van White Memorial Boulevard within the Bassett Creek Valley area.

Item 3 On December 28, 2001, the City Council approved an appropriation increase for \$1.2 million for Heritage Park infrastructure for funds awarded by the Mississippi Watershed Management Organization (MWMO) for water quality management features. In its 2002 and 2003 capital plans, the MWMO has awarded a total of \$2.0 million.

Item 4 Payments by prospective bidders for construction plan sets totaling \$745 have been deposited.

Item 5 SRF Consulting Group, Inc. will continue under Contract #14623 with Heritage Park contamination monitoring and clean-up, construction surveying, and street/utility/open space design/engineering and construction documents for subsequent phases. No additional appropriation is necessary for amendment. The following is a breakdown of sources for payment of expenditures:

| Source | Amount | Appropriated to Fund Agency Org |
|---|-------------|---------------------------------|
| Section 108 loan / July 26, 2002-approved interim financing (to be reimbursed by tax increment bonds) | \$705,000 | 4100 970 9719 |
| 2003 city capital improvements | 385,000 | 4100 970 9719 |
| special assessments (streets, lights, sidewalks) | 60,000 | 4100 970 9719 |
| special assessments (watermains) | 25,000 | 7400 970 9719 |
| special assessments (sewers) | 25,000 | 7300 970 9719 |
| Met Council Livable Communities Demonstration Account | 132,000 | 4100 970 9719 |
| Mississippi Watershed Management Organization | 45,000 | 4100 970 9719 |
| <i>Total</i> | \$1,377,000 | |

Item 6 Center Point Energy/Minnegasco (as Reliant Energy) completed relocation of its 16" gasmain facilities between vacated 8th Avenue N. and former Bryant Avenue N. in the Heritage Park Phase 1 area, from its easement held with MPHA, into its new alignment partly within newly platted right-of-way. Relocation is a cost of Heritage Park site preparation and was included in the Stage 1 financing plan.

If you have further questions about these items, please contact Lois Eberhart at 673-3260.